

Exhibit 54

Deposition of Elizabeth Kroger Davis
(November 28, 2017) (excerpted)

PUBLIC COPY - REDACTED

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

CUNG LE; NATHAN QUARRY, JON)	
FITCH, on behalf of)	
themselves and all others)	
similarly situated,)	
)	
Plaintiffs,)	
)	
vs.)	Case No.
)	2:15-cv-01045-RFB-(PAL)
)	
ZUFFA, LLC, d/b/a Ultimate)	
Fighting Championship and)	
UFC,)	
)	
Defendant.)	
_____)	

HIGHLY CONFIDENTIAL

VIDEOTAPED DEPOSITION OF ELIZABETH KROGER DAVIS

Washington, D.C.

November 28, 2017

11:17 a.m.

REPORTED BY:
Tina Alfaro, RPR, CRR, RMR
Job No: 52562

ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL

<p style="text-align: right;">94</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 Zuffa's behavior violated the antitrust laws?</p> <p>3 A. I've read the complaint and I think that's</p> <p>4 generally fair.</p> <p>5 Q. And do you understand that Zuffa's -- I'm</p> <p>6 sorry. Strike that.</p> <p>7 Do you understand that the Plaintiffs'</p> <p>8 experts are trying to determine how much more the</p> <p>9 Plaintiffs would have been paid had Zuffa not</p> <p>10 engaged in that conduct?</p> <p>11 MR. NORTH: Objection, calls for</p> <p>12 speculation.</p> <p>13 BY THE WITNESS:</p> <p>14 A. My understanding is that they have prepared</p> <p>15 damages that -- that measure the incremental income</p> <p>16 that they believe should have been paid to the bout</p> <p>17 class and the identity class.</p> <p>18 Q. Should have been paid if what had happened</p> <p>19 differently?</p> <p>20 A. My understanding is that the economists</p> <p>21 have prepared models to determine these amounts. I</p> <p>22 haven't studied their amount -- their models in</p> <p>23 detail. So I -- I can't comment on all the</p> <p>24 different factors that they may or may not have</p> <p>25 considered.</p>	<p style="text-align: right;">96</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 statements what Zuffa reported. I haven't changed</p> <p>3 those numbers.</p> <p>4 Q. Okay.</p> <p>5 You mentioned that you've studied some</p> <p>6 economics; is that right?</p> <p>7 A. Yes.</p> <p>8 Q. Are you aware that economic theory holds</p> <p>9 that monopolistic conduct tends to reduce output?</p> <p>10 A. You know, that's -- that's a very broad</p> <p>11 question. I haven't thought about it in the context</p> <p>12 of this case. I have to think about it.</p> <p>13 Q. Okay. You are aware that Plaintiffs allege</p> <p>14 that Zuffa engaged in conduct that was both</p> <p>15 monopolistic and monopsonistic; is that right?</p> <p>16 A. I do.</p> <p>17 Q. And you're not offering an opinion one way</p> <p>18 or the other as to whether that's accurate; is that</p> <p>19 right?</p> <p>20 A. You mean whether they were a monopolist and</p> <p>21 a monopsonist?</p> <p>22 Q. Correct.</p> <p>23 A. That is what you mean by that?</p> <p>24 Q. Yes.</p> <p>25 A. I'm not offering an opinion.</p>
<p style="text-align: right;">95</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 Q. Do you know whether the economists came to</p> <p>3 any conclusions about what the size of the MMA</p> <p>4 market would have been had Zuffa not engaged in the</p> <p>5 conduct that Plaintiffs challenged?</p> <p>6 A. I've not looked at that issue.</p> <p>7 Q. But your analysis assumes that the -- that</p> <p>8 the market would have been the same size and the</p> <p>9 only difference is the damages; is that right?</p> <p>10 MR. NORTH: Objection to form.</p> <p>11 BY THE WITNESS:</p> <p>12 A. My analysis takes the damages that were</p> <p>13 estimated by the Plaintiffs' experts and says what</p> <p>14 would be the impact of those damages on the</p> <p>15 historical financial statements.</p> <p>16 Q. Okay. And by "historical" you mean the way</p> <p>17 things actually were in the past?</p> <p>18 A. The financial results that Zuffa reported</p> <p>19 during the class period.</p> <p>20 Q. And you're assuming nothing would have</p> <p>21 changed about those financial results other than the</p> <p>22 application of the damages?</p> <p>23 MR. NORTH: Objection to form.</p> <p>24 BY THE WITNESS:</p> <p>25 A. I rely upon the historical financial</p>	<p style="text-align: right;">97</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 Q. You're question was better than mine.</p> <p>3 Thank you.</p> <p>4 A. I'm just trying to understand the</p> <p>5 question.</p> <p>6 Q. I appreciate it.</p> <p>7 If hypothetically Zuffa had engaged in</p> <p>8 conduct that reduced output, there would have been</p> <p>9 more MMA bouts absent that conduct; is that fair?</p> <p>10 MR. NORTH: Objection to form.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I'm not offering an opinion on that. I'd</p> <p>13 have to think about it.</p> <p>14 Q. Okay. Well, can you think about it now? I</p> <p>15 mean, is that something that you could come up</p> <p>16 with --</p> <p>17 A. It's a complicated question. There's a lot</p> <p>18 of assumptions that would go into that.</p> <p>19 Q. Okay. Well, I'm asking you to assume that</p> <p>20 Zuffa engaged in conduct that reduced output, right?</p> <p>21 And then I'm asking you to assume had they not</p> <p>22 engaged in that conduct would output have been</p> <p>23 greater? There's only two assumptions there.</p> <p>24 A. Well, I -- I --</p> <p>25 MR. NORTH: I'm sorry. Is there a question</p>

25 (Pages 94 to 97)

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<p style="text-align: right;">98</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 pending?</p> <p>3 MR. KOFFMAN: Yeah.</p> <p>4 BY THE WITNESS:</p> <p>5 A. Why don't you repeat the question back to</p> <p>6 me one more time.</p> <p>7 Q. Sure. If, in fact, Zuffa engaged in</p> <p>8 conduct that reduced output, is it fair to say that</p> <p>9 there would have been more MMA bouts absent that</p> <p>10 conduct?</p> <p>11 A. I -- I don't have an opinion on that. I</p> <p>12 can't say whether there would have been more bouts,</p> <p>13 less bouts, would there have been more fighters</p> <p>14 fighting per bout. I don't know.</p> <p>15 Q. Okay.</p> <p>16 If hypothetically there were more MMA bouts</p> <p>17 during the class period, is it fair to say that that</p> <p>18 could have resulted in more revenue for Zuffa during</p> <p>19 the class period?</p> <p>20 MR. NORTH: Objection to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. Again, that -- that is a difficult question</p> <p>23 to answer. You're asking if there had been more</p> <p>24 bouts. I don't know if there had been more bouts</p> <p>25 whether that would have created more revenue or not.</p>	<p style="text-align: right;">100</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 Q. Does your second opinion rely on an</p> <p>3 assumption that all of the damages calculated by</p> <p>4 Dr. Zimba- -- by Dr. Zimbalist would have been paid</p> <p>5 by Zuffa?</p> <p>6 A. My calculation does not assume who would</p> <p>7 have paid -- well, my calculation takes the damages</p> <p>8 that they argue is the additional compensation that</p> <p>9 should have been paid to fighters and allocates it</p> <p>10 to Zuffa's historical financial statements. So if</p> <p>11 the fact that I'm reflecting the amounts on Zuffa's</p> <p>12 financial statements, you know, suggests to you that</p> <p>13 Zuffa would be paying such amounts, then yes.</p> <p>14 Q. Okay. And what is your basis for that</p> <p>15 assumption?</p> <p>16 A. Because I'm applying the damages amounts to</p> <p>17 Zuffa's financial statements. If Zuffa wasn't</p> <p>18 paying the fighters, it's not clear to me what</p> <p>19 entity would be paying them.</p> <p>20 Q. Are you aware that the Plaintiffs allege</p> <p>21 that conduct by Zuffa reduced compet- -- competition</p> <p>22 from other MMA promotions?</p> <p>23 A. I'm aware of that allegation.</p> <p>24 Q. But you're not offering an opinion one way</p> <p>25 or the other as to whether that allegation is true</p>
<p style="text-align: right;">99</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 I don't know if having additional bouts would</p> <p>3 encourage people to buy additional Pay-Per-Views,</p> <p>4 okay. If having more bouts would drive more people</p> <p>5 to live events. I don't know the answer to that. I</p> <p>6 suppose it depends on a bunch of variables.</p> <p>7 Q. Okay.</p> <p>8 If Zuffa's class period revenue increased,</p> <p>9 would that throw off the calculations in your</p> <p>10 opinion No. 2?</p> <p>11 MR. NORTH: Objection to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. My opinion is, again, based on the</p> <p>14 historical financial statements and comparing the</p> <p>15 amounts that the Plaintiffs' experts have computed</p> <p>16 as damages to those historical financial statements.</p> <p>17 I have not assumed any other counterfactual.</p> <p>18 Q. Okay. But if you did assume a</p> <p>19 counterfactual, if you assumed that the class period</p> <p>20 revenues increased over what they were historically,</p> <p>21 would that change your numbers in opinion 2?</p> <p>22 A. If you're asking me to hold everything else</p> <p>23 constant and assume that revenues went up one</p> <p>24 dollar, it would mathematically change my</p> <p>25 calculation.</p>	<p style="text-align: right;">101</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 or false, correct?</p> <p>3 A. I'm not.</p> <p>4 Q. Assuming hypothetically that Zuffa did</p> <p>5 engage in conduct that reduced competition from</p> <p>6 other MMA promote- -- promoters, then absent that</p> <p>7 conduct there would have been more competition,</p> <p>8 correct?</p> <p>9 MR. NORTH: Objection to form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I -- I haven't studied that issue in the</p> <p>12 context of this case.</p> <p>13 Q. Let me ask it a different way. Is it</p> <p>14 possible that if Plaintiffs' allegations are correct</p> <p>15 that some of the damages would have been paid by</p> <p>16 promoters other than Zuffa?</p> <p>17 MR. NORTH: Objection to form.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I -- I can't possibly answer that question.</p> <p>20 It's a function of how they created their model.</p> <p>21 It's a function of how much they think fighters</p> <p>22 would have been paid for different bouts. So I</p> <p>23 don't know how it would all shake out. It's a</p> <p>24 complicated question.</p> <p>25 Q. And do you know whether Plaintiffs' experts</p>

26 (Pages 98 to 101)

ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL

<p style="text-align: right;">102</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 have considered that question?</p> <p>3 A. I don't.</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">104</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 Q. Sure.</p> <p>3 A. Not in the context of this case.</p> <p>4 Q. Okay.</p> <p>5 A. I've heard about a but-for world in other</p> <p>6 litigation, but not -- I haven't used that term</p> <p>7 here.</p> <p>8 Q. Okay. What types of litigation have you</p> <p>9 heard the term used in?</p> <p>10 A. Yeah. So I have heard the term used in</p> <p>11 other antitrust cases and some cases involving</p> <p>12 commercial damages.</p> <p>13 Q. Are you aware that economists in antitrust</p> <p>14 cases sometimes construct but-for worlds to analyze</p> <p>15 what would have happened absent the conduct that's</p> <p>16 challenged in the case?</p> <p>17 A. I am aware of that.</p> <p>18 Q. And are you aware that Plaintiffs' experts</p> <p>19 did that here?</p> <p>20 A. To be clear, I -- I have not reviewed the</p> <p>21 Plaintiffs' expert reports in detail in terms of how</p> <p>22 they constructed their models and methods. I have</p> <p>23 focused on the results, the amounts they compute.</p> <p>24 Q. Okay. So you focused just on their damages</p> <p>25 estimates?</p>
<p style="text-align: right;">103</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 that was the assignment I carried out.</p> <p>8 Q. Okay.</p> <p>9 THE REPORTER: Good time for a break?</p> <p>10 MR. KOFFMAN: Sure. Let's take a short</p> <p>11 break.</p> <p>12 THE VIDEOGRAPHER: Going off the record at</p> <p>13 2:09.</p> <p>14 (A short break was had.)</p> <p>15 THE VIDEOGRAPHER: We're going back on the</p> <p>16 record at 2:22.</p> <p>17 BY MR. KOFFMAN:</p> <p>18 Q. So we've -- we've had some discussion today</p> <p>19 about the term "but-for world"; do you remember</p> <p>20 that?</p> <p>21 A. It's a term you've used.</p> <p>22 Q. Okay. And it's not a term that you've used</p> <p>23 before today?</p> <p>24 A. No, it's not. Well, not -- well, let me</p> <p>25 clarify.</p>	<p style="text-align: right;">105</p> <p>1 ELIZABETH KROGER DAVIS - HIGHLY CONFIDENTIAL</p> <p>2 A. Yes.</p> <p>3 Q. And not on how they got to those numbers?</p> <p>4 A. Correct.</p> <p>5 Q. Have you, yourself ever constructed a</p> <p>6 but-for world for use in litigation?</p> <p>7 MR. NORTH: Objection to form.</p> <p>8 BY THE WITNESS:</p> <p>9 A. Well, "you, yourself constructed," I'm</p> <p>10 having a little trouble with those words. I've</p> <p>11 worked on assignments where there has been teams of</p> <p>12 consultants which I've been a part where we've</p> <p>13 analyzed the issue.</p> <p>14 Q. Okay.</p> <p>15 You've looked at Plaintiffs' damages</p> <p>16 estimates and their effects on Zuffa's</p> <p>17 profitability; is that fair?</p> <p>18 A. Again, I have taken their damages -- you're</p> <p>19 saying Zuffa's profitability. I have taken their</p> <p>20 damages and applied those damages to the historical</p> <p>21 financial results and three specific financial</p> <p>22 metrics of those results.</p> <p>23 Q. Okay. Is it your opinion that Zuffa could</p> <p>24 not have paid its fighters any more than it did</p> <p>25 during the class period and remain profitable?</p>

27 (Pages 102 to 105)